

**COMMON COUNCIL OF THE CITY OF HOBART, INDIANA**

**RESOLUTION NO. 2019-20**

**A Resolution Amending Resolution No. 2018-08 Confirming the Designation of a Certain Area Within the City as an Economic Revitalization Area for Purposes of Real and Personal Property Tax Abatement and Granting Waiver of Compliance with Certain Filing Requirements**

WHEREAS, the Common Council (“Council”) of the City of Hobart, Lake County, Indiana (“City”) adopted Resolution No. 2018-07 on the 4th day of April, 2018 declaring that the area commonly known as 6411 Northwind Parkway, Hobart, Lake County, Indiana 46342, which is more particularly described in Exhibit "A" attached, is an Economic Revitalization Area for the purpose of encouraging development and occupancy therein by providing real and personal property tax abatement in accordance with I.C. 6-1.1-12.1, *et seq.*; and

WHEREAS, the Council, after conducting public hearing pursuant to notice in the manner required by law adopted Resolution Number 2018-08 which confirmed Resolution No. 2018-07 thus granting real property tax abatement and personal property for a certain group of equipment to be acquired by the applicant, ITR America, LLC (“ITR”), and located on the newly constructed premises at the above address, such personal property consisting of manufacturing equipment having a total cost of \$720,965.00 and assessed value of \$299,624.00; and

WHEREAS, ITR informed the Department of Development of the City that it acquired some of the new equipment prior to the date upon which the abatement for that equipment was granted, and that equipment in addition to the equipment for which abatement was previously approved in Resolution Numbers 2018-07 and 2017-08 is being acquired and will be placed in service by December 31, 2019. Accordingly, ITR requested that its abatement for personal property granted through Council Resolution Numbers 2018-07 and 2018-08 be amended to include these items; and

WHEREAS, ITR submitted a new Statement of Benefits Form SB-1/PP executed by its Chief Financial Officer and dated April 5, 2019 which was attached to Resolution Number 2019-19 as Exhibit “B,” and is also attached to this Resolution as Exhibit “B,” said new form reflecting the manufacturing equipment now totaling \$1,010,909.00 with an assessed value of \$415,602.00. The amount of personal property tax deduction for said new manufacturing equipment is \$845,499.00; and

WHEREAS, the City has obtained a study of estimated abatement savings prepared by Baker Tilly Municipal Advisors, LLC dated April 9, 2019 which is attached to the new SB-1/PP in Exhibit “B.” That study shows abatement savings for personal property taxes of \$52,580.00 over the life of the abatement; and

WHEREAS, an updated detailed chart of the manufacturing equipment being acquired and placed in service at the above-described location by ITR is attached hereto as Exhibit “C;” and

WHEREAS, the Council has concluded its review of the foregoing facts, the attached documents and its previous actions and has determined that all of such items support its

determination that the area qualifies as an Economic Revitalization Area under I.C. §6-1.1-12.1-1, *et seq.* and qualifies for tax abatement under the new and amended facts stated herein; and

WHEREAS, the Council subsequently adopted Resolution No. 2019-19 on July 17, 2019 which amended said designating Resolution Number 2018-07, and Council caused a copy of that resolution to be filed with the County Assessor, and the information required by I.C. §6-1.1-12.1-2.5 (c) to be filed with the officers of each taxing unit that has authority to levy property taxes in the geographic area where the Economic Revitalization Area is located, and

WHEREAS, the Council caused written notice of the adoption and substance of said Resolution No. 2019-19 to be published in accordance with the notice requirements of I.C. 5-3-1 as amended, in two (2) newspapers of general circulation within the City, *The Times* and the *Post-Tribune*, both on July 25, 2019, and containing notice of public hearing on Wednesday, August 21, 2019 at 6:00 p.m. as the date and time the Council would receive and hear all remonstrances and objections from interested persons with respect to the matters set forth in Resolution No. 2019-19, and

WHEREAS, the Council has conducted said hearing on the appointed date and time and has not received any remonstrances or objections, and

WHEREAS, the Council has considered the evidence presented and now determines that the qualifications for designation as an Economic Revitalization Area continue to have been met and that such Economic Revitalization Area should be again be confirmed under the new facts stated above through this Resolution.

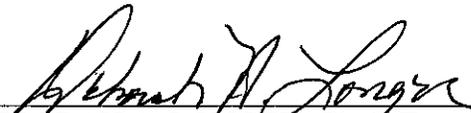
NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Hobart as follows:

1. The qualifications for designation as an Economic Revitalization Area as stated in Resolution No. 2019-19 have been met.
2. Resolution No. 2019-19, including the attached Statement of Benefits Forms, is hereby, in all respects, approved and confirmed.
3. The determination of the Council made by this amended confirmatory resolution extends to, and is intended to authorize, both real property and personal property tax deductions, and this resolution shall be final, except that an appeal may be taken and heard as provided in I.C. §6-1.1-12.1-2.5, and is otherwise subject only to paragraph (4) below.
4. This confirmatory Resolution shall become effective upon the execution and delivery of an Amended and Restated Development Agreement by and between the City and ITR America, LLC.
5. The Clerk-Treasurer is directed to provide a certified copy of this Resolution each to the property owner and the Department of Local Government Finance of the State of Indiana, as required by I.C. §6-1.1-12.1-9.5 (c).

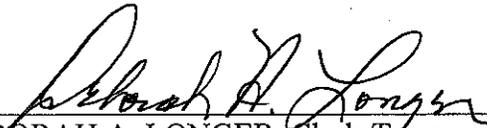
ALL OF WHICH IS ADOPTED on this 21<sup>st</sup> day of August, 2019 by the Common Council of the City of Hobart, Lake County, Indiana.

  
BRIAN K. SNEDECOR, Presiding Officer

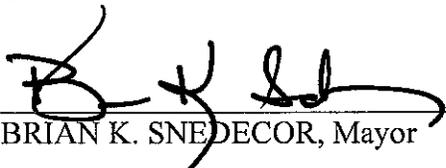
ATTEST:

  
DEBORAH A. LONGER, Clerk-Treasurer

PRESENTED by me to the Mayor of the City of Hobart on the 21<sup>st</sup> day of August, 2019, at 7:15 ~~am~~/p.m.

  
DEBORAH A. LONGER, Clerk-Treasurer

APPROVED, SIGNED AND RETURNED by me to the Common Council of the City of Hobart, on this 21<sup>st</sup> day of August, 2019.

  
BRIAN K. SNEDECOR, Mayor

ATTEST:

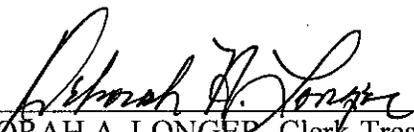
  
DEBORAH A. LONGER, Clerk-Treasurer

Exhibit "A"

Legal Description

Lot 3B in Replat #1 of North Wind Crossings – Unit Two, an Addition to the City of Hobart, Lake County, Indiana, as per plat thereof, recorded in Plat Book 105, page 73 in the Office of the Recorder of Lake County, Indiana.

(The lot is approximately 8.095 Acres; common address is 6411 NorthWind Parkway.)



**STATEMENT OF BENEFITS  
PERSONAL PROPERTY**

State Form 51784 (R4/11-15)  
Prescribed by the Department of Local Government Finance

**FORM SB-1/PP**

**PRIVACY NOTICE**

Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

**INSTRUCTIONS**

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body BEFORE a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the installation of qualifying abatable equipment for which the person desires to claim a deduction.
3. To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated or with the county assessor if there is no township assessor for the township. The 103-ERA must be filed between January 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between January 1 and the extended due date of that year.
4. Property owners whose Statement of Benefits was approved, must submit Form CF-1/PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. For a Form SB-1/PP that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/PP that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. (IC 6-1.1-12.1-17)

SECTION 1 TAXPAYER INFORMATION										
Name of taxpayer <b>ITR AMERICA, LLC</b>					Name of contact person <b>CHRISTOPHER GILLES, CFO</b>					
Address of taxpayer (number and street, city, state, and ZIP code) <b>6301 NORTHWIND PARKWAY, HOBART, IN 46342</b>							Telephone number <b>( 601 ) 760-7002</b>			
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT										
Name of designating body <b>HOBART COMMON COUNCIL</b>					Resolution number (s) <b>2018-07, 08</b>					
Location of property <b>6411 NORTHWIND PARKWAY, HOBART, IN 46342</b>				County <b>LAKE</b>		DLGF taxing district number <b>43</b>				
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (Use additional sheets if necessary.) <b>SEE ATTACHED LIST OF NEW MANUFACTURING EQUIPMENT TOTALING \$845,499. (EXHIBIT C TO RESOLUTION 2018-07 AND 08)</b>					<b>ESTIMATED</b>					
							START DATE		COMPLETION DATE	
					Manufacturing Equipment		12/01/2018		12/31/2019	
					R & D Equipment					
					Logist Dist Equipment					
IT Equipment										
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT										
Number of employees		Number of full-time employees		Total wages		Number of full-time employees		Total wages		
0		0		*56		2,200,000		B 408500		
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT										
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.			MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
			COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Current values			181,145	83,698						
Plus estimated values of proposed project			829,764	331,906						
Less values of any property being replaced										
Net estimated values upon completion of project			1,010,909	415,602						
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER										
Estimated solid waste converted (pounds) _____					Estimated hazardous waste converted (pounds) _____					
Other benefits:										
SECTION 6 TAXPAYER CERTIFICATION										
I hereby certify that the representations in this statement are true.										
Signature of authorized representative <i>Christopher J. Gilles</i>							Date signed (month, day, year) <b>04/05/2019</b>			
Printed name of authorized representative <b>Christopher J. Gilles</b>					Title <b>CFO</b>					

**FOR USE OF THE DESIGNATING BODY**

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

A. The designated area has been limited to a period of time not to exceed N/A calendar years \* (see below). The date this designation expires is N/A. NOTE: This question addresses whether the resolution contains an expiration date for the designated area.

B. The type of deduction that is allowed in the designated area is limited to:

1. Installation of new manufacturing equipment;	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18 Check box if an enhanced abatement was approved for one or more of these types.
2. Installation of new research and development equipment;	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
3. Installation of new logistical distribution equipment.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
4. Installation of new information technology equipment;	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ 829,764.00 cost with an assessed value of \$ \_\_\_\_\_ (One or both lines may be filled out to establish a limit, if desired.)

D. The amount of deduction applicable to new research and development equipment is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_ (One or both lines may be filled out to establish a limit, if desired.)

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_ (One or both lines may be filled out to establish a limit, if desired.)

F. The amount of deduction applicable to new information technology equipment is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_ (One or both lines may be filled out to establish a limit, if desired.)

G. Other limitations or conditions (specify) \_\_\_\_\_

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction is allowed for:

<input checked="" type="checkbox"/> Year 1	<input checked="" type="checkbox"/> Year 2	<input checked="" type="checkbox"/> Year 3	<input checked="" type="checkbox"/> Year 4	<input checked="" type="checkbox"/> Year 5	<input type="checkbox"/> Enhanced Abatement per IC 6-1.1-12.1-18 Number of years approved: _____ (Enter one to twenty (1-20) years; may not exceed twenty (20) years.)
<input checked="" type="checkbox"/> Year 6	<input checked="" type="checkbox"/> Year 7	<input checked="" type="checkbox"/> Year 8	<input checked="" type="checkbox"/> Year 9	<input checked="" type="checkbox"/> Year 10	

I. For a Statement of Benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17?  Yes  No  
If yes, attach a copy of the abatement schedule to this form. See section 7 of Resolution 2018-07  
If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved by: (signature and title of authorized member of designating body)	Telephone number ( )	Date signed (month, day, year)
Printed name of authorized member of designating body	Name of designating body	
Attested by: (signature and title of attester)	Printed name of attester	

\* If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1.1-12.1-17.

**IC 6-1.1-12.1-17**

**Abatement schedules**

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
  - (2) The number of new full-time equivalent jobs created.
  - (3) The average wage of the new employees compared to the state minimum wage.
  - (4) The infrastructure requirements for the taxpayer's investment.
- (b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An abatement schedule may not exceed ten (10) years.
- (c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.

Other Benefits Promised – Section 5 (continued)

Applicant: ITR America, LLC

Signed: 

Personal Property

Date: 7/8/19

For this abatement request, Applicant agrees to pay a sum of no more than \$750 per year, for each year in which the abatement is in effect, at such time the City is required to comply with certain tax abatement transparency reporting requirements required by the State government, Federal government, or other applicable regulatory organization or agency. This payment will be paid for all applicable remaining years of abatement that require such reporting in one lump sum upon invoice by the City of Hobart.

Applicant will provide reasonable advanced notice to the City of Hobart relating to any material changes in the reporting of the acquisitions cost, acquisition year, depreciation classification or other characteristic of the existing and proposed personal property investment that may affect the net assessed value of personal property, including a filing of an amended personal property tax return. If any of the described changes are made, a copy of the personal property assessment forms and description of such changes will be provided to the City of Hobart.

Applicant agrees to refrain from materially reducing the reported acquisition cost, acquisition year or depreciation pool (currently assumed to be Pool #2 or 3 as per 4-9-2019 Baker Tilly analysis attached to this Exhibit as pages 5-10) for the new equipment for any year during the abatement deduction period which would have the effect of reducing the net personal property taxes payable for the new manufacturing equipment for that year as stated in the following table below, provided that the acquisition cost of the personal property is greater than or equal to \$829,764. In the event that the acquisition cost of the proposed personal property investment is less than \$829,764, the amount indicated in the table below for that year will be reduced by the percentage by which the actual acquisition cost is less than \$829,764, so that the net taxes to be paid under this agreement is reduced proportionately.

## Exhibit "B"

Page 4 of 10

Taxes Payable Year                      Property Taxes to be paid on the Proposed Personal Property Investment  
(as per the 4-9-2019 Baker Tilly Analysis)

<u>2020</u>	<u>\$0</u>
<u>2021</u>	<u>\$530</u>
<u>2022</u>	<u>\$7,600</u>
<u>2023</u>	<u>\$23,730</u>
<u>2024</u>	<u>\$41,530</u>
<u>2025</u>	<u>\$60,030</u>
<u>2026</u>	<u>\$73,250</u>
<u>2027</u>	<u>\$86,300</u>
<u>2028</u>	<u>\$99,240</u>
<u>2029</u>	<u>\$112,010</u>
<u>2030</u>	<u>\$118,690</u>

If needed, Applicant agrees to execute on an annual basis a Reimbursement Agreement, which shall require payment for services engaged by the City in order to review compliance with the minimum tax payments promised as noted above. This Reimbursement Agreement and its estimated payment is only required if the \$1,500 fee (or other fee amount established for this same purpose) collected as required by Ordinance 2017-32 is insufficient to have the compliance review performed by the City's financial consultant.



MUNICIPAL ADVISORS

now joined with  
Springsted and UmbaughBaker Tilly Municipal Advisors, LLC  
8365 Keystone Crossing, Ste 300  
Indianapolis, IN 46240  
United States of AmericaT: +1 (317) 465 1600  
F: +1 (317) 465 1650  
bakertilly.com

April 9, 2019

Ms. Denarie Kane, Director of Development  
City of Hobart  
414 Main Street  
Hobart, Indiana 46324

Re: Proposed Property Tax Abatement Estimated Savings Calculation – ITR America, LLC

Dear Denarie:

The attached schedules (listed below) present unaudited and limited information for the purpose of discussion and consideration in the preliminary planning stage of the proposed property tax abatement by the appropriate officers, officials and advisors of the City of Hobart. The use of these schedules should be restricted to this purpose, for internal use only, as the information is subject to future revision and final report.

<u>Page</u>	
2	Assumptions
3	Estimated Annual Combined Property Tax Abatement Savings
4	Estimated Property Tax Liability for the Proposed Investment in Real Property
5	Estimated Property Tax Liability for the Proposed Investment in Personal Property

We would appreciate your questions or comments on this information and would provide additional information upon request.

Very truly yours,

BAKER TILLY MUNICIPAL ADVISORS, LLC

A handwritten signature in black ink, appearing to read "Matthew R. Eckerle".

Matthew R. Eckerle, Director

CITY OF HOBART, INDIANA

ITR America, LLC

ASSUMPTIONS

The following investment assumptions are based on information provided by company representatives.

	<u>Estimated Cost</u>
<b>Real Property:</b>	
New Building Construction (1)	
- First assessed January 1, 2020 for taxes payable in 2021	\$5,500,000
<b>Depreciable Personal Property:</b>	
Existing Facility (2)	
- January 1, 2019 assessment taxes payable 2020	1,838,138
Proposed Investment (1)	
Pool #2 (3)	
- First assessed January 1, 2019 for taxes payable in 2020	\$41,516
- First assessed January 1, 2020 for taxes payable in 2021	67,000
Pool #3 (3)	
- First assessed January 1, 2019 for taxes payable in 2020	308,428
- First assessed January 1, 2020 for taxes payable in 2021	412,820
Subtotal	<u>829,764</u>
<b>Total Investment</b>	<u><u>\$8,167,902</u></u>

- (1) Per investment information provided by ITR America LLC.
- (2) Per the Indiana Business Tangible Personal Property Assessment Return completed by ITR America, LLC for January 1, 2019 taxes payable 2020.
- (3) Based on information provided by the Company, it has been assumed that the equipment will be purchased as new and be depreciated in Pool # 2 (5-8 year useful life) or Pool # 3 (9-12 year useful life) respectively, for property tax purposes. Once installed, the Company may report the depreciation in a different pool, which may have a material effect on the resulting tax increment calculations. No assumption has been made for future equipment retirement/replacement.

Property Tax Rates	
Certified Pay 2019 Tax Rate	
- Hobart Corp.-Ross Twp. Taxing district	\$2.9522

Note: Indiana Code 6-1.1-20.6 provides taxpayers with a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property (the "Circuit Breaker Tax Credit"). For commercial and industrial property, the Circuit Breaker Tax Credit reduces a taxpayer's tax liability to 3% of their property's gross assessed value. The Indiana property tax caps, in combination with other potential future changes, such as increases in budgets and tax rates of overlapping taxing units, a loss of a major taxpayer, the adoption of local option income tax for property tax relief purposes, or future changes in Indiana property tax law and regulations, could affect the actual assessed value of the proposed development and the applicable property tax rates, and cause the actual property tax liability to differ significantly from the estimates shown in these schedules.

(Subject to the attached letter dated April 9, 2019)  
(Preliminary - Subject to Change)  
(For Internal Use Only)

CITY OF HOBART, INDIANA

ITR America, LLC

**ESTIMATED ANNUAL COMBINED PROPERTY TAX ABATEMENT SAVINGS**

*Assumes 10-year property tax abatements*

Taxes Payable Year	Estimated Net Assessed Value of the Proposed Investment (1)		Net Tax Rate (2)	Estimated Property Tax Liability		Without Proposed Abatement Circuit Breaker Tax Credit (3)	Estimated Abatement Savings
	With Proposed Abatement	Without Proposed Abatement		With Proposed Abatement Circuit Breaker Tax Credit (3)	Gross Taxes		
2020	\$0	\$139,977	2.5382	\$0	\$0	\$0	\$3,550
2021	20,831	5,075,234	2.5382	530	530	0	128,820
2022	299,685	5,147,284	2.5382	7,600	7,600	0	130,650
2023	935,000	4,923,929	2.5382	23,730	23,730	0	124,980
2024	1,636,250	4,923,929	2.5382	41,530	41,530	0	124,980
2025	2,365,069	4,923,929	2.5382	60,030	60,030	0	124,980
2026	2,885,768	4,923,929	2.5382	73,250	73,250	0	124,980
2027	3,400,090	4,923,929	2.5382	86,300	86,300	0	124,980
2028	3,909,612	4,923,929	2.5382	99,240	99,240	0	124,980
2029	4,413,144	4,923,929	2.5382	112,010	112,010	0	124,980
2030	4,676,098	4,923,929	2.5382	118,690	118,690	0	124,980
Totals				\$622,910	\$622,910	\$0	\$1,262,860
							\$639,950

(1) See pages 4 and 5.

(2) Represents the certified pay 2019 tax rate for the Hobart Corp.-Ross Twp. taxing district. Accounts for the application of the pay 2019 LIT PTRC of 14.0238%.

(3) Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for an industrial parcel, is applied.

(Subject to the attached letter dated April 9, 2019)  
(Preliminary - Subject to Change)  
(For Internal Use Only)

CITY OF HOBART, INDIANA

*ITR America, LLC*

**ESTIMATED PROPERTY TAX LIABILITY FOR THE PROPOSED INVESTMENT IN REAL PROPERTY**  
*Assumes a 10-year real property tax abatement*

Taxes Payable Year	Estimated Net Assessed Value of the Proposed Investment (1)		Estimated Property Tax Liability		Without Proposed Abatement Circuit Breaker Tax Credit (4)	Net Taxes	Estimated Abatement Savings
	With Proposed Abatement (2)	Without Proposed Abatement	Gross Taxes	Net Taxes			
2021	\$0	\$4,675,000	\$0	\$2,5382	\$0	\$118,660	\$118,660
2022	233,750	4,675,000	5,930	2,5382	5,930	118,660	112,730
2023	935,000	4,675,000	23,730	2,5382	23,730	118,660	94,930
2024	1,636,250	4,675,000	41,530	2,5382	41,530	118,660	77,130
2025	2,337,500	4,675,000	59,330	2,5382	59,330	118,660	59,330
2026	2,805,000	4,675,000	71,200	2,5382	71,200	118,660	47,460
2027	3,272,500	4,675,000	83,060	2,5382	83,060	118,660	35,600
2028	3,740,000	4,675,000	94,930	2,5382	94,930	118,660	23,730
2029	4,207,500	4,675,000	106,790	2,5382	106,790	118,660	11,870
2030	4,441,250	4,675,000	112,730	2,5382	112,730	118,660	5,930
Totals			\$599,230		\$599,230	\$1,186,600	\$587,370

(1) Per the assessment estimate provided by the Company in its Statement of Benefits Real Estate Improvements. The actual assessed value will be determined by the Lake County Assessor upon completion, and the actual value may vary materially from the value assumed in this illustration.

(2) Assumes a 10-year real property tax abatement with the following deduction percentages: 100%, 95%, 80%, 65%, 50%, 40%, 30%, 20%, 10%, and 5%.

(3) Represents the certified pay 2019 tax rate for the Hobart Corp.-Ross Twp. taxing district. Accounts for the application of the pay 2019 LIT PTIRC of 14.0238%.

(4) Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for an industrial parcel, is applied.

(Subject to the attached letter dated April 9, 2019)  
 (Preliminary - Subject to Change)  
 (For Internal Use Only)

CITY OF HOBART, INDIANA

ITR America, LLC

**ESTIMATED PROPERTY TAX LIABILITY FOR THE PROPOSED INVESTMENT IN PERSONAL PROPERTY**

*Assumes a 10-year personal property tax abatement*

Taxes Payable Year	Estimated Net Assessed Value of the Proposed Investment (1)		Net Tax Rate (3)	Estimated Property Tax Liability		Without Proposed Abatement Circuit Breaker Tax Credit (4)	Estimated Abatement Savings
	With Proposed Abatement (2)	Without Proposed Abatement		Gross Taxes	Net Taxes		
2020	\$0	\$139,977	2.5382	\$0	\$0	\$0	\$3,550
2021	20,831	400,234	2.5382	530	530	0	10,160
2022	65,935	472,284	2.5382	1,670	1,670	0	11,990
2023	0	248,929	2.5382	0	0	0	6,320
2024	0	248,929	2.5382	0	0	0	6,320
2025	27,569	248,929	2.5382	700	700	0	6,320
2026	80,768	248,929	2.5382	2,050	2,050	0	6,320
2027	127,590	248,929	2.5382	3,240	3,240	0	6,320
2028	169,612	248,929	2.5382	4,310	4,310	0	6,320
2029	205,644	248,929	2.5382	5,220	5,220	0	6,320
2030	234,848	248,929	2.5382	5,960	5,960	0	6,320
Totals				\$23,680	\$23,680	\$0	\$76,260
							\$52,580

(1) Represents the estimated net assessed value of the proposed personal property investment only. Accounts for the impact of the acquisition cost and depreciation status of the existing personal property on the estimated true tax value of the proposed investment.

(2) Assumes a 10-year personal property tax abatement with the following deduction percentages: 100%, 90%, 80%, 70%, 60%, 50%, 40%, 30%, 20%, and 10%.

(3) Represents the certified pay 2019 tax rate for the Hobart Corp.-Ross Twp. taxing district. Accounts for the application of the pay 2019 LIT PTRC of 14.0238%.

(4) Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for an industrial parcel, is applied.

(Subject to the attached letter dated April 9, 2019)  
(Preliminary - Subject to Change)  
(For Internal Use Only)

Estimated In Service Date	Updated In Service Date	Manufacturing Equipment	Actual Cost	Original Estimated Cost	Additional Cost Requested	Total Cost Of Amended Abatement Requested
12/31/2019		Roller Bed (JD + Frames)		17,500.00	-	17,500.00
12/31/2019		Track Winder		20,000.00	-	20,000.00
12/31/2019		Track Torque Machine		37,000.00	-	37,000.00
12/31/2019		Track In-Line Washer		14,500.00	-	14,500.00
12/31/2019	12/10/2018	Dip Tank	26,960.00	50,000.00	-	26,960.00
12/31/2019		Overhead Crane System		60,000.00	-	60,000.00
12/31/2019		Rails & Carts		25,000.00	75,000.00	100,000.00
12/31/2019		Torque Machine For Frames		34,058.00	-	34,058.00
12/31/2019		Arm For Torque Machine		25,506.00	-	25,506.00
12/31/2019		Structure for Torque Machine		26,256.00	-	26,256.00
12/31/2019	12/20/2018	Racks	168,512.37	25,000.00	143,512.37	168,512.37
12/31/2019		Steel Tables / Tolls		20,000.00	-	20,000.00
12/31/2019		Hoists for Frame Line		58,000.00	-	58,000.00
12/31/2019	12/20/2018	Air Compressor	27,276.47	11,000.00	16,276.47	27,276.47
12/31/2019	12/31/2018	Electric Stand Up For Frame Line	20,223.00	22,000.00	(1,777.00)	20,223.00
12/31/2019	12/31/2018	Forklift 1 - 6500 Lbs.	21,293.00	27,000.00	(5,707.00)	21,293.00
12/31/2019		Forklift 1 - 15500 Lbs.		67,000.00	-	67,000.00
12/31/2018	12/21/2018	Hotsy Pressure Washer	8,960.00	-	8,960.00	8,960.00
12/31/2018	12/31/2018	Reach Truck	19,153.00	-	19,153.00	19,153.00
12/31/2018	12/31/2018	Forklift 1 - 6000 Lbs.	21,293.00	-	21,293.00	21,293.00
12/31/2018	12/31/2018	Forklift 1 - 12000 Lbs.	36,273.00	-	36,273.00	36,273.00
			349,943.84	539,820.00	312,983.84	829,763.84